FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

763997 Alberta Ltd. (formerly Target Capital Inc.) ("**Target**" or the "**Company**")
4200 Bankers Hall West, 888 3rd Street S.W.
Calgary, Alberta T2P 5C5

2. Date of Material Change:

March 14, 2024

3. News Release:

Target issued a press release on March 15, 2024, which was disseminated through the newswire services of Cision and subsequently filed on SEDAR+.

4. Summary of Material Change:

Target executed an amalgamation agreement dated March 14, 2024 (the "**Amalgamation Agreement**") with Grafton Ventures Energy Holdings Corp. ("**Grafton**") and 2595456 Alberta Ltd. ("**Subco**"), a wholly-owned subsidiary of Target. The Amalgamation Agreement provides for the Company's previously announced business combination transaction (the "**Transaction**") resulting in the reverse take-over of Target by Grafton. Upon completion of the Transaction, Target will carry on the oil and gas exploration and production business of Grafton under the name "Westgate Energy Inc." (the "**Resulting Issuer**" or "**Westgate**").

5. Full Description of Material Change:

On March 15, 2024, Target announced the execution of the Amalgamation Agreement providing for the Transaction. Target and Grafton will complete the Transaction by way of a three-cornered amalgamation whereby Subco and Grafton will amalgamate, each common share of Grafton will be exchanged for 0.3443 common shares of the Resulting Issuer ("**Resulting Issuer Shares**"), on a post-Consolidation basis (as defined below), at a deemed price of $0.44 per Resulting Issuer Share, and each convertible, exchangeable or exercisable security of Grafton will be exchanged for a convertible, exchangeable or exercisable security of the Resulting Issuer on substantially the same economic terms and conditions as the original convertible, exchangeable or exercisable security of Grafton (or adjusted in accordance with the terms of such securities to reflect the completion of the Transaction).

The Transaction remains subject to certain customary conditions, including but not limited to, the approval of the TSX Venture Exchange (the "**TSXV**"), the completion of the non-brokered private placement (for minimum gross proceeds of $3.35 million), the approval of the Transaction by the shareholders of Grafton, and the consolidation of the common shares of Target on a 40-for-1 basis (the "**Consolidation**"). Target and Grafton intend to apply to have the Resulting Issuer Shares listed on the TSXV and for the Resulting Issuer to satisfy the criteria for an oil and gas exploration or reserves company. Completion of the Transaction is expected to occur in April or May of 2024. In connection with the Transaction, Grafton completed the brokered private placement, led by Eight Capital, of 24,333,901 subscription receipts of Grafton for gross proceeds of $3,650,085 on March 15, 2024. Additional details regarding the Transaction will be made available in a filing statement that will be filed with the TSXV and be available on Target's profile on SEDAR+ at www.sedarplus.com.

Sponsorship of a "New Listing" made in the context of a "Reverse Takeover" is required by the TSXV in accordance with Policy 2.2 of the TSXV Corporate Finance Manual, unless exempt in accordance with applicable TSXV policies or unless the TSXV provides a waiver. Target intends to apply for an exemption or waiver from sponsorship requirements; however, there is no assurance that Target will obtain this exemption.

Westgate Strategy

Westgate will be focused on the emerging Mannville Stack fairway located in East-Central Alberta and West Central Saskatchewan, where known accumulations of medium and heavy oil are being "unlocked" via the application of modern drilling techniques utilizing multi-lateral horizontal drilling. The application of these modernized multi-lateral drilling techniques have yielded some of the strongest oil well economics throughout Western Canada.

Westgate's proposed management and board have extensive experience leading and building successful energy companies, starting with identifying high-quality assets. Common amongst the collective successes of the leadership group is targeting robust, large oil in place assets and achieving growth through successful drilling as well as strategic merger and acquisition opportunities. This proven blueprint of delivering shareholder value is foundational to the formation of Westgate. Westgate will be uniquely positioned as one of a select few publicly listed, pure-play high-growth junior oil companies, focused on the Mannville Stack fairway.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Target should be considered highly speculative.

5.2 **Disclosure of Restructuring Transactions:**

Not applicable.

6. **Reliance on Subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer:**

For further information, please contact Theo Zunich, Interim President and Chief Executive Officer of Target at Target@5qir.com or (403) 351-1779.

9. **Date of Report:**

March 25, 2024

Forward-Looking and Cautionary Statements

This material change report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expects", "is expected", "anticipates", "contemplates", "scheduled", "proposes", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions (including negative variations) are intended to identify forward-looking information or statements. More particularly and without limitation, this material change report contains forward-looking statements and information pertaining to: Target, Grafton, the Resulting Issuer and their respective businesses; the completion of the Transaction and the timing thereof; the application to list the Resulting Issuer Shares on the TSXV; the expectation that the Resulting Issuer will satisfy the criteria for an oil and gas exploration or reserves company; the Consolidation; the closing of the non-brokered private placement; the business strategy of the Resulting Issuer; the characteristics of the Mannville Stack fairway and the unique position of the Resulting Issuer in respect thereof; and expectations regarding details regarding initial production rates.

The forward-looking statements are founded on the basis of expectations and assumptions made by the Company, including, but not limited to, the satisfaction of all conditions to the completion of the Transaction (including the receipt of all necessary approvals), the Resulting Issuer's ability to execute its business strategy, successful financing under the non-brokered private placement, and market conditions. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Risk factors including, but are not limited to, the inability to satisfy all conditions to the Transaction and/or the failure to obtain all necessary approvals. Moreover, in respect of Grafton and the Resulting Issuer, exploration, appraisal, and development of oil and natural gas reserves are speculative activities and involve a degree of risk. Although Target and Grafton have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Target and Grafton undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, other than as required by law.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.